

is expected to fall short by Rs 35 lakh. In the result, we expect a **net increase** of Rs **28.2** lakhs to our **surplus balances** so that the current year should leave us with a **closing balance** of Rs **131.57** lakhs.

BUDGET ESTIMATES FOR 1103.

6. I now proceed to give our Budget Estimates for the coming year. Our **revenue** is expected to stand at Rs **223.21** lakhs and the **expenditure** proposed is Rs **221.78** lakhs. This will leave us with a small **revenue surplus** of Rs **1.43** lakhs. Our capital receipts in the next year are expected to amount to Rs 5.5 lakhs and the proposed programme of **capital expenditure** stands at Rs **21.82** lakhs. In the result, we shall be drawing on our accumulated surplus to the extent of Rs 14.89 lakhs; but as this is only for our commercial undertakings, it would perhaps be more accurate if I referred to this drawing as an avoidance of debt than as a spending from the surplus accumulations. A moderate reserve is, of course, essential and as our balance at the close of the next year is expected, after this programme of capital expenditure, to stand at Rs 116.69 lakhs, I trust we shall still have an adequate reserve in our hands.

REVENUE.

7. I have stated that the budgeted revenue in the next year is Rs 223.21 lakhs. Our current year's revenue, however, is expected to be Rs 229.52 lakhs; so that for the next year our forecast is Rs 6.31 lakhs *less*. This decrease need not however occasion any uneasiness. In dealing with the revised estimates of the current year I referred to the large purchase of Government of India Securities which resulted in a figure of nearly Rs 6.5 lakhs being shown as additional revenue in this year's accounts. We have no programme in the coming year for any similar purchase of securities on a large scale. As, however, we shall be earning some more interest than in the current year on the larger stock of securities that we now hold, the net result is a reduction under 'interest and premia receipts' by only Rs 4.18 lakhs as compared with the current year's revised figures. The other variations are under the following heads.

	<i>Budget better.</i>	<i>Budget worse.</i>
	<i>(in lakhs of rupees.)</i>	
Land Revenue	...	54
Income tax	54	...
Excise	...	1.85
Customs	...	54
Mint	56	...

[Mr. K. N. Ramasubba Aiyar.]

8. *Land Revenue.* With effect from Minam this year, Government ordered the abolition of the system of payment *in paddy* of the rent on *Kandukrishi pattom* lands and the rent is to be paid in by the tenants in money at 24 chuckrams per para of paddy previously paid. This reform was a natural sequel to what had been undertaken in 1082 when taxation in kind was abolished and it was in fact long overdue. We expect there will be substantial relief to the cultivators of these lands in future years. But the effect of this change on our revenue is to reduce our income from land revenue to the extent of the difference between the market rates of paddy and the new commutation rate of 24 chuckrams, in respect of the quantity of paddy required for making certain payments in kind for jenmibhogam, karathilchilavu etc. There is also a slight increase in our expenditure on account of this change, as *amirthari* previously supplied from the Kandukrishi paddy has now to be purchased.

9. *Excise.* We have provided for Rs 1.85 lakhs *less* under Excise, as we wish to be conservative in our estimates of revenue from toddy and country liquor.

10. *Customs.* A fall of Rs .54 lakh is provided for, notwithstanding the increase which may be expected to result from the changes in tea duty already specified. This is due to the reductions made towards the close of the current year in the tariff duty on copra, cocoanut oil and cocoanuts. The reductions made were as follows :—

	Tariff Valuation reduced.		
	From	To	
	B. Rs.	B. Rs.	From
Cocoanuts, per 1000	67/8	50/10	} 26th Makaram. 1st Mithunam.
Copra, per cwt.	22/8	18/-	
Cocoanut oil, per cwt.	18/12	15/-	

The opening of the Bodi-Cambum Railway line might also perhaps result in some trade now flowing into our side being deflected towards Tuticorin. This would mean some reduction in our Sea Customs receipts.

11. *Income Tax.* An increase of nearly half a lakh is provided under income tax as it is expected that with the improved machinery for assessment and collection of the tax, proposed for the next year, there will be some increase in the revenue. Our proposals for the new year include the appointment of a separate Collector of Income Tax, (under the Commissioner) who will deal with the more important Municipal areas and with the taxation of business profits of all companies and firms carrying on business in the State.

12. *Mint.* An increase of nearly half a lakh of rupees is provided under this head. Since 1087, when our new silver coins of the present designs were introduced, we have minted the following quantities :—

	<i>Value in lakhs of rupees.</i>	
Half-Rupees	...	1.00
Quarter-Rupees	...	1.00
Fanams	...	3.57

As against this mintage, however, the balances in our treasuries, according to our latest figures, stand at only Rs .07 lakh, .07 lakh and .52 lakh, respectively. We accordingly propose to mint in the next year about two lakhs of rupees worth of silver coins and we have provided in the Estimates for the necessary gain on the coinage of this silver. We hold an adequate stock of copper coins. Our treasuries, as shown by the latest monthly returns, hold Rs 6.67 lakhs against our total copper mintage of Rs 20.44 lakhs.

EXPENDITURE CHARGED TO REVENUE.

13. The Budget Estimates contemplate an **increase of Rs 16.33 lakhs** over the probable expenditure in the current year, the **total expenditure** chargeable to revenue standing at Rs **221.78 lakhs**. I shall explain briefly the more important items contributing to this increase.

14. *Public Works expenditure.* The budgeted figure is Rs **34 lakhs**, the **increase** over the current year's figure being nearly Rs **5 lakhs**. There is an increase of nearly a lakh and a half under CONSTRUCTION OF BUILDINGS, the bulk of the increase being for the completion of buildings already begun. Among new buildings, the construction of which is to be started next year, is a new Girls' School at Mavelikara ; a pumping installation at the salt factory at Colachel ; and quarters and offices for the Excise staff at Tamara-calam. A provision of Rs .05 lakh has also been made for preparing plans and design for the construction of a new Council Chamber. A provision of Rs .15 lakh has been made for the extension of telephone lines in Trivandrum. Under COMMUNICATIONS—WORKS, the provision made is Rs 8.56 lakhs, the increase being nearly Rs 1 lakh. Of this provision of Rs 8.56 lakhs, a little over Rs 5 lakhs appears under the Kottayam and Alwaye Divisions. Under 'new works', provision is made for a road from Pallivasal to Neri-mangalam, a short road to Karkad village for the convenience of the depressed classes and for a new canal from Alleppey to Changamachery which is to be investigated. MISCELLANEOUS PUBLIC IMPROVEMENTS account for an increase of Rs .24 lakh mainly for new godowns